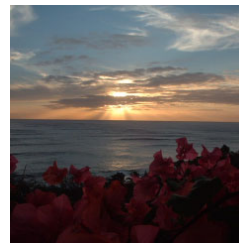
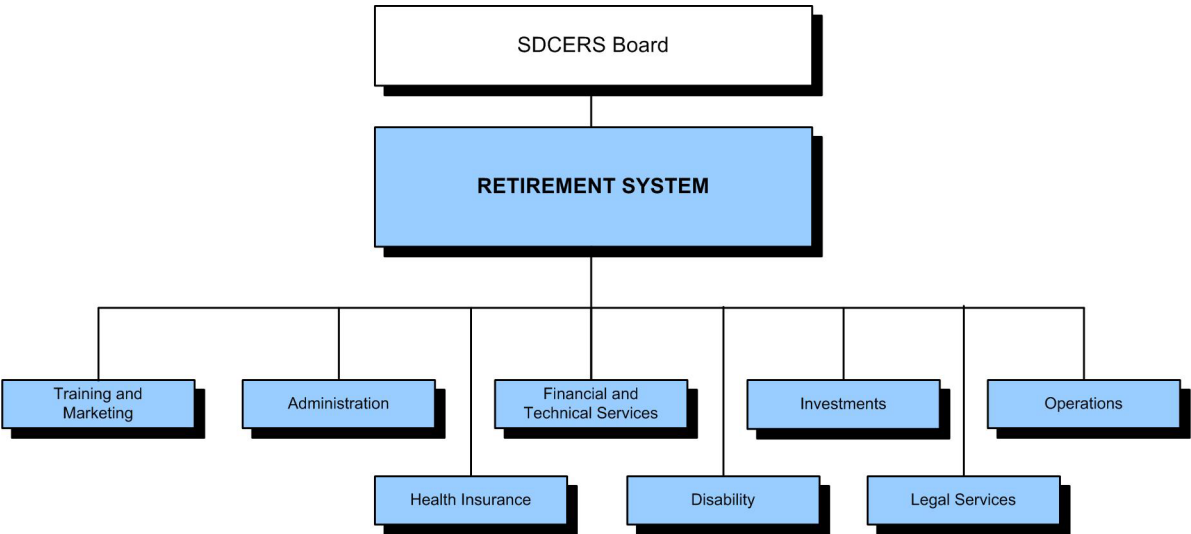


City Retirement Office



To continually deliver accurate and timely benefits through prudent administration and safeguarding of the San Diego City Employees' Retirement System, while ensuring the fund's maximum safety, integrity and growth.

City Retirement Office



Department Description

The San Diego City Employees' Retirement System (SDCERS) invests, manages and administers the \$2.6 billion Retirement Pension Plans for General Members, Safety Members, and Legislative Officers of the City of San Diego. In addition, the employees of the San Diego Unified Port District are members of SDCERS by virtue of a contractual agreement entered into by the City of San Diego and the Port District in 1963.

Milestones Met/Services Provided

Since the inception of SDCERS 74 years ago, membership and number of retirees have continued to grow. During Fiscal Year 2001, SDCERS processed 1,385 purchase of service credit contracts, 596 service and disability retirements, and 460 Deferred Retirement Option Plan (DROP) retirements; hosted 18 pre-retirement seminars; provided information at 26 new employee orientations; and advised members in 1,440 counseling sessions.

In Fiscal Year 2002, SDCERS conducted a customer service survey of all active and retired members of the System. The overall survey results indicated that SDCERS has been doing an excellent job. SDCERS averaged a score of 3.88 out of 4.00 possible points in five categories of the survey. The categories and the scores were as follows: Responsiveness = 3.7, Customer Service = 4.0, Information = 3.9, Communication = 3.8, and Seminars = 4.0.

Future Outlook

Prudent and excellent investments along with consistently high quality customer service to all active and retired members of the SDCERS and their beneficiaries remain the goals of the Retirement System. In the coming year, SDCERS will be improving its retirement record-keeping system with the installation of a new computer system known as PensionGold. A SDCERS website is scheduled to be operational during the next fiscal year.

Services provided to members, retirees, and beneficiaries are expected to increase during Fiscal Year 2003.

City Retirement Office

City Retirement Office				
	FY 2001 ACTUAL	FY 2002 BUDGET	FY 2003 FINAL	FY 2002-2003 CHANGE
Positions	47.00	50.00	50.00	0.00
Personnel Expense	\$ 2,684,086	\$ 3,906,409	\$ 4,140,330	\$ 233,921
Non-Personnel Expense	\$ 16,221,902	\$ 16,435,473	\$ 17,033,314	\$ 597,841
TOTAL	\$ 18,905,987	\$ 20,341,882	\$ 21,173,644	\$ 831,762

Department Staffing

	FY 2001 ACTUAL	FY 2002 BUDGET	FY 2003 FINAL
CITY EMPLOYEES' RETIREMENT SYSTEM FUND			
City Retirement Office	47.00	50.00	50.00
Total	47.00	50.00	50.00

Department Expenditures

	FY 2001 ACTUAL	FY 2002 BUDGET	FY 2003 FINAL
CITY EMPLOYEES' RETIREMENT SYSTEM FUND			
City Retirement Office	\$ 18,905,987	\$ 20,341,882	\$ 21,173,644
Total	\$ 18,905,987	\$ 20,341,882	\$ 21,173,644

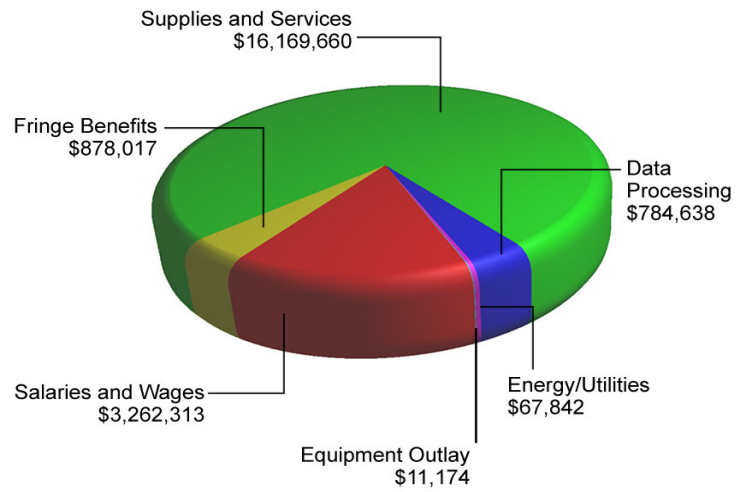
Significant Budget Adjustments

CITY EMPLOYEES' RETIREMENT SYSTEM FUND

City Retirement Office	Positions	Cost
Salary and Benefit Adjustments	0.00	\$ 233,921
Adjustments to reflect the annualization of the Fiscal Year 2002 negotiated salary compensation schedule, Fiscal Year 2003 negotiated salaries and benefits, changes to average salaries, and other salary and benefit compensation.		
Retirement Final Adjustments	0.00	\$ 597,841
Net expenditure increase in miscellaneous non-personnel accounts as approved by the San Diego City Employees' Retirement System (SDCERS) Board of Directors.		

City Retirement Office

Expenditures by Category



City Retirement Office

Division/Major Program Descriptions

Administration

The Administration Division provides for general management of the overall policy direction, coordination, and planning of the San Diego City Employees' Retirement System (SDCERS). Staff provides timely input to the Retirement Board of Administration in making member benefit, administrative policy and investment decisions. The Administration Division also provides for actuary services, travel and training expenses, consulting services, strategic planning and performance surveys. The Departmental budget is funded through the Undistributed Earnings Reserve of the SDCERS. Upon City Council approval of this budget, the Retirement Board will appropriate the necessary funding from the reserves.

Disability

The Disability Program is responsible for processing all disability applications and preparing reports for the Retirement Board recommending approval or denial of applicant disability applications. The program provides monthly reports related to status of all pending disability cases. It also coordinates and represents the Retirement System at all disability pre-hearings and hearings.

Financial and Technical Services

The Financial and Technical Services Division audits retirement functions as directed by the Retirement Administrator, conducts compliance audits of benefits administration including audits of benefit calculations and monthly retirement allowances, administers the bi-weekly retirement contribution process, prepares and monitors the Department budget, and manages special projects and data processing services. The Division is also the project lead for all new systems development, including the Membership Benefits System. It coordinates and supports all actuarial data requirements and acts as the Unified Port District primary point of contact.

Health Insurance

The Health Insurance Group administers the post-retirement health insurance benefits for the City of San Diego retirees and the annual open enrollment process, makes premium payments to the carriers and answers retirees' questions concerning health insurance benefits and the various plans offered.

Investments

The Investments Division is responsible for conducting the day-to-day investment and corporate governance functions in accordance with the Retirement Board's adopted investment policies and procedures; negotiating contracts with, reviewing performance of, and maintaining positive relationships with external money managers, consultants and other investment service providers; managing cash flows between the Retirement System, external money managers, the City and other parties; researching, analyzing, and recommending investment alternatives to the Investment Committee and/or Retirement Board; monitoring investment activity of money managers and the custodial bank; and preparing general ledgers and financial statements of the Trust Fund.

Legal Services

The Legal Services Division is responsible for providing legal advice and assistance to the Retirement Board and staff in the areas of trust, tax,

City Retirement Office

Division/Major Program Descriptions (continued)

Legal Services

contracts, community property, benefit interpretation and eligibility, investments, corporate governance and fiduciary responsibility; drafting legal documents such as ordinances, resolutions, contracts, rules and pleadings; coordinating the use of outside counsel; and representing the Retirement Board and/or staff in all legal proceedings to which the Retirement Board is a party.

Operations

The Operations Division is responsible for calculating retirement, survivor, and death benefits; processing enrollment documentation of new members; maintaining records of all active and retired members; and calculating and processing all member termination refunds for City of San Diego and Unified Port District employees. This Division provides counseling sessions on service retirement, disability retirement, reciprocity, Deferred Retirement Option Plan (DROP) Program and purchase of service credits. The Division also provides pre-retirement counseling and planning for members of the Retirement System; administers the members' health insurance benefits and produces a quarterly newsletter that is sent to all members and retirees.

Training and Marketing

The Training and Marketing Division creates and maintains procedures for all tasks associated with benefit administration, and trains staff on how to accomplish each task. In addition, the Division creates and develops brochures, handbooks and other materials used in communication to SDCERS members and the public.

City Retirement Office

Salary Schedule

CITY EMPLOYEES' RETIREMENT SYSTEM FUND

City Retirement Office

<i>Class</i>	<i>Position Title</i>	<i>FY 2002 Positions</i>	<i>FY 2003 Positions</i>	<i>Salary</i>		<i>Total</i>
1104	Account Clerk	1.00	1.00	\$	32,225	\$ 32,225
1106	Senior Management Analyst	1.00	1.00	\$	63,221	\$ 63,221
1107	Administrative Aide II	1.00	1.00	\$	43,157	\$ 43,157
1218	Associate Management Analyst	11.00	11.00	\$	56,181	\$ 617,991
1255	Benefits Representative I	2.00	2.00	\$	32,761	\$ 65,522
1348	Information Systems Analyst II	1.00	1.00	\$	54,298	\$ 54,298
1416	Employee Benefits Admin	1.00	0.00	\$	-	\$ -
1535	Clerical Assistant II	10.00	10.00	\$	29,850	\$ 298,502
1577	Legal Secretary	1.00	1.00	\$	44,782	\$ 44,782
1598	Legal Assistant	2.00	2.00	\$	52,648	\$ 105,296
1801	Retirement Assistant	5.00	5.00	\$	38,876	\$ 194,380
1822	Senior Legal Assistant	1.00	1.00	\$	59,135	\$ 59,135
1842	Accountant II	1.00	1.00	\$	52,115	\$ 52,115
1876	Executive Secretary	2.00	2.00	\$	45,122	\$ 90,244
1917	Supervising Management Analyst	2.00	2.00	\$	68,751	\$ 137,502
2119	Assistant Retirement Admin	1.00	1.00	\$	133,822	\$ 133,822
2180	Retirement Administrator	1.00	1.00	\$	152,100	\$ 152,100
2195	Retirement General Counsel	1.00	1.00	\$	146,669	\$ 146,669
2196	Asst Retirement General Counsel	1.00	1.00	\$	118,718	\$ 118,718
2224	Associate Counsel	1.00	1.00	\$	87,776	\$ 87,776
2241	Investment Officer	1.00	1.00	\$	128,284	\$ 128,284
2256	Assistant Investment Officer	1.00	1.00	\$	78,416	\$ 78,416
2274	Medical Review Officer	1.00	1.00	\$	75,868	\$ 75,868
2282	Program Coordinator	0.00	1.00	\$	90,432	\$ 90,432
	Ex Perf Pay-Classified	0.00	0.00		-	\$ 10,500
	Temporary Help	0.00	0.00		-	\$ 381,358
	Total	50.00	50.00			\$ 3,262,313
CITY RETIREMENT OFFICE TOTAL		50.00	50.00			\$ 3,262,313

City Retirement Office

Five-Year Expenditure Forecast

	FY 2003 FINAL	FY 2004 FORECAST	FY 2005 FORECAST	FY 2006 FORECAST	FY 2007 FORECAST
Positions	50.00	50.00	50.00	50.00	50.00
Personnel Expense	\$ 4,140,330	\$ 4,264,540	\$ 4,392,476	\$ 4,524,250	\$ 4,659,978
Non-Personnel Expense	\$ 17,033,314	\$ 17,544,313	\$ 18,070,642	\$ 18,612,761	\$ 19,171,144
TOTAL EXPENDITURES	\$ 21,173,644	\$ 21,808,853	\$ 22,463,118	\$ 23,137,011	\$ 23,831,122

City Retirement Office

Fiscal Year 2004

No major projected requirements.

Fiscal Year 2005

No major projected requirements.

Fiscal Year 2006

No major projected requirements.

Fiscal Year 2007

No major projected requirements.